



COALITION ON HUMAN NEEDS

Towards Shared Recovery: Boosting the Economy by Preventing Hunger

The Need: Skyrocketing Food Prices and Growing Food Insecurity

A diet lacking in nutrition can be devastating to the health and well-being of children and families – as well as to the health of our economy. Yet across the country people who never dreamed they would need food assistance are seeking help. The combination of rapidly growing need from working families seeking food assistance for the first time, inflation in food prices, and fewer donations from the food industry have dealt a serious blow to food banks across the country. The recession has forced one in 10 Americans onto the SNAP (food stamp, now named Supplemental Food Assistance Program) rolls for a total enrollment of 31.5 million people, a record high. SNAP recipients get an average of only \$1 per person per meal, a paltry amount considering the high cost of food. From fiscal years 2007 to 2008, the cost of eggs jumped 24 percent; the cost of cheese rose 13.2 percent, and bread prices climbed 13.5 percent. From September 2007 to September 2008, the monthly cost of a basic food budget as tracked by the U.S. Department of Agriculture rose \$56.60 for a family of four.

Our Proposal: Feeding The Hungry Is an Effective Boost to the Economy

Increasing Supplemental Nutrition Assistance Program (Food Stamp) Benefits: A temporary increase in SNAP benefits would immediately help the hungry, while providing a quick cash infusion to jumpstart the economy. Mark Zandi, chief economist of Moody's Economy.Com, has said that a temporary increase in Food Stamps would be highly cost-effective, providing \$1.73 in GDP growth for every dollar invested. Increased benefits could be quickly directed to electronic benefits cards used by recipients, and research confirms that virtually all of the funds would be spent within a month. An increase in food stamp benefits would prevent childhood illness and reduce the chance of developmental delays associated with inadequate nutrition. Congress should enact a two-year, temporary 20 percent increase in Food Stamp benefits at a cost of \$12 billion a year. In addition, we support \$250 million a year in increased administrative funding to ensure that staff can handle the surge of applicants.

Supporting Other Hunger Relief Programs: Women, Infants and Children nutrition program (WIC) faces a serious shortfall, the result of big increases in the price of food and the growing number of families seeking help. In recent years, WIC participation has grown between 1 and 3 percent annually. But participation in fiscal year 2008 was about 5 percent higher than the previous year and this rate of growth is expected to continue in FY 2009. Although the exact funding increase needed for WIC may change as a result of the rapid growth in caseload and food costs, the additional \$450 million provided for WIC in the economic recovery package proposed by Senate Majority Leader Harry Reid and Senate Appropriations Committee Chairman Robert C. Byrd appears to be sufficient at this time for FY 2009. Additional funding should be provided as accurate cost estimates become available through FY 2010.

The Emergency Food Assistance Program (TEFAP) should receive an additional \$165 million annually, of which \$150 million would be used each year for two years to replenish declining food inventories and help with food distribution. An additional \$15 million annually would provide Food Bank Infrastructure Grants to help rural food banks maintain capacity and keep up with service needs.

The **Commodity Supplemental Food Program** needs \$30 million in increased funding to help cover the anticipated cost increase of food packages distributed to the more than 430,000 elderly clients served by the program. Funds should be provided as necessary to meet needs through FY 2010.